

STATE OF MICHIGAN
FAMILY INDEPENDENCE AGENCY

MEMORANDUM

**To: Paul Moore, District Manager
Grand River/Warren District Office**

**From: Rita Barker, Director
Office of Internal Audit**

Date: April 7, 1998

Subject: Audit of the Procurement Card Usage

The Office of Internal Audit performed an audit of the Procurement Card usage at the Grand River/Warren District Office on March 19, 1998. We reviewed the procedures in place at Grand River/Warren to determine if there is compliance with the FIA Internal Controls Procedures in regards to the usage of the procurement card. Our review disclosed that there is proper supervisory review of purchases and documentation to support all purchases made, also there is proper separation of duties. We found no exception in our audit.

This memo is for informational purposes only. The information obtained at Grand River/Warren District will be used as part of a larger audit of all sites using the procurement card.

Thank you for the cooperation your staff extended while our auditor was on site.

Procurement Card Procedure

1. Helen Yeldell, Administrative Services Administrator and Elizabeth Robinson, Office Services Administration are authorized to purchase goods with their procurement card. Helen Yeldell has never used her card since she received it on March 13, 1998. Liz has purchased a few good and has paid for repair to the telephone system with her card. A request is made by staff, and given to Liz. She then prepares a FIA-1446 Procurement Request and send or Faxes it to OHR, Gerry Harris at the Plaza building. At times Kathy Van Hoeck reviews the purchases, then Gerry Harris and the Zone Manager (Stylski) looks at it then Candy Salazar, Program Support. Once approved by OHR, Liz can order the items and record the purchase on the Transaction Log. The goods come in through the stockroom and the clerk verifies the receipt of goods and records it on the log by initaling and dating the log. Helen Yeldell receives the Transaction Report and then reconciles the log. The original log and supporting documentation is maintained in Helens file and a copy of the reconciled log is sent to Lansing. Liz also keeps a copy of the log and invoices.
2. The two cards are kept in the safe. Each person has their own locked metal box, which is locked in the safe, which is in a locked room within the fiscal office.
3. The cardholders are in compliance with internal controls of the card. There is supervisory approval and independent reconciliation of the purchases. Also Wayne County OHR approves the purchase. The stockroom clerk receives goods when they come in. Vendor cannot be a 1099 vendor. Also cannot be a CS138.
4. There is documentation to support all transactions we reviewed.
5. Yes all procurement card purchases are logged.
6. The supervisor reviews all transactions and purchases.
7. There is a copy of supporting documentation and Transaction Detail Reports, and Transaction Logs.